

NOTE TO FILE:

RE: Letter from Mutual dated 11 Jan 68 on Conversion Policies

On 24 Jan 68 I had a telephone conversation with George L'Heureux about conversions. He said that he learned after writing his letter that he was not exactly correct in his second paragraph. He understands that notice of conversion is to be given within 31 days of termination of enrollment - not 30 days of termination of employment. He has apparently since been exposed to the Federal Personnel Manual wording on this matter.

He also confirmed that the LHFM/LHFM is the conversion policy and is offered to any eligible converttee regardless of health, age, or any thing else. Other policies which he refers to are offered as frosting on the cake; additional alternatives so to speak, but the conversion policy is made available to everyone. I am now more at ease about this, because this is just what the law and the regulations and the FPM require of us as a participating carrier of FEHBA.

WAF
1/24/68

Mutual
OF OMAHA

D. D. ULFERS, PRESIDENT



United
OF OMAHA

GALE E. DAVIS, PRESIDENT



HOME OFFICE... OMAHA, NEBRASKA

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January 11, 1968

Secretary

Government Employees Health Association
P. O. Box 463
Washington, D. C. 20044

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Re: Conversion of Government Groups

Dear Bill:

In the past months there has been some confusion concerning the procedure in conversion of Government Group Hospitalization Insurance to Private Plans when the individual terminates his employment and is not eligible to continue the Federal Employees Program. To clarify this matter, I am forwarding the following information recently received from our home office.

We will continue to offer the 14HM/14FHM policy provided the applicant applies for coverage within 30 days after their last day of employment. This plan is identical to the plan which has been offered all along to members of the Government Employees Health Association.

If the insureds are 65 years of age or over and are covered under Medicare or the Government Retirement Act and Hospitalization, then we would offer them the 90H0150 coverage. In the past we have offered this policy up to \$450.00 a week, but it has been reduced now to only \$150.00 a week to be offered in addition to Part B of Medicare or to those under the Federal Retirement Program.

MUTUAL OF OMAHA INSURANCE COMPANY • UNITED BENEFIT LIFE INSURANCE COMPANY

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Page 2

January 11, 1968

In certain select situations, we can offer a straight hospitalization policy subject to underwriting to individuals in good health. This situation would come about if the individual is in good health and wants to apply for better coverage at a cheaper premium and their health warrants it. I would point out that we cannot add an immediate benefits coverage rider to this and in offering this type of policy, we would point out that the issuance of the policy would be subject to underwriting rules as an individual policy. This is contrary to the conversion policy where no underwriting is required and they have immediate coverage regardless of past health.

I will be more than happy to review any of this material with you, if you have any question.

Sincerely,



George H. L'Heureux
Coordinator

GHL:pg